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# TOWN OF SPRAGUE

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Good morning. I'm Catherine Osten, First Selectman for the Town of Sprague. Thank you for the opportunity to testify in support of **HB 6308, AA Establishing the Connecticut Healthcare Partnership**, which would allow towns and cities to buy employee health insurance through the state employee plan. Sprague is one of many small, rural towns that are considered distressed municipalities, and with a population of 3,000, it is extremely difficult to provide quality services at a reasonable cost to taxpayers. This challenge is compounded by the ever-rising costs of employee health insurance—double digits in recent years.

In the last year the employees of our Town made the choice to participate in cost savings to the Town by opting to change from traditional insurance to a high deductible health savings account form of insurance. Most of those employees never used the insurance piece of this option instead their expenses came out of their own pocket and stayed within the deductible dollars. For this change Anthem has decided to increase our costs by more than 19%. I, as First Selectman, take great offense to an increase of this size when Anthem profits are in the millions here in Connecticut.

It is unreasonable to accept that the fundamental change to a Health Savings Account to save taxpayer dollars would be applicable to only one fiscal year.

The cost of insurance for our employees is rising far more quickly than the cost of living. It is the single most volatile piece of our budget, making it very difficult to maintain a flat increase budget which maintains services and yet must include these unpredictable costs. Even with a bare bones budget, the only way that a town of our size and tax base can address these costs is by either eliminating insurance coverage or jobs and services. Having access to the state employee plan would enable our small group of employees to take advantage of the administrative efficiencies and purchasing power of the much larger state employee plan. At least 24 states already permit their local government employees to participate in their state plans because it gives state and municipal governments a way to save money without cutting benefits or services.

We are and have been able to keep our budget in line (with no tax increase in three years) by using small and large measures such as purchasing supplies on discount or on sale and looking at each line item for

its value and efficiency, each year we have decreased line items revolving around energy usage. Examples of these measures are as follows:

- a.) At the school teachers are give a stipend for school supplies, the most is made of trips to stores to take advantage of sales at places such as Staples, Office Depot and Wal-Mart.
- b.) We have minimized expenses each year by energy conservation in all areas, removing street lights, caulking windows, putting in energy efficient doors and windows and this year putting solar panels on the town hall roof.
- c.) We also purchased sand from the state which saved us thousands and just may be our saving grace during this year's hard and expensive winter season.
- d.) We continue to regionalize where ever possible (animal control, revaluations, health districts, resident state trooper usage, etc.)

Yet we continue to provide a high quality education with achievements in test scorings many thought impossible. We also have not had an out of school suspension in years, we do not charge or have a pay to play system for after school activities, we have encouraged our paraprofessionals to be better educated (a benefit to us and them). We also continue to have summer recreation, a library (growing each year), a well run public works department and a Town that promotes being a community as its most valuable resource.

All of our creative solutions, successful efforts to tighten our belts, scrimp and save, and do more with less in these very challenging times are threatened by one volatile item in our budget: healthcare.

The owners of local "mom and pop" businesses experience similar challenges when they try to purchase insurance coverage for themselves and their employees. The Partnership proposal will help towns like mine stabilize rising insurance costs and preserve jobs in a community that is already struggling with high unemployment and lack of adequate insurance.

Respectfully Submitted,

Catherine Osten  
First Selectman